

Message Text

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AMEMBASSY BONN
AMEMBASSY DUBLIN
AMEMBASSY ROME
AMEMBASSY LUXEMBOURG
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AMEMBASSY THE HAGUE

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SUBJECT: US-EC-9 PRESIDENCY DIALOGUE: PROGRAM FOR EASTERN
MEDITERRANEAN

1. ON APRIL 5, DEPTOFF (DIRECTOR EUR/SE), BRIEFED EC-9 EM-
BASSY OFFICERS (LUXEMBOURG EXCEPTED) ON SUBSTANCE AND
RATIONALE OF NEW US PROGRAM FOR EASTERN MEDITERRANEAN. AT

OUTSET COPY OF DEPT'S APRIL 3 ANNOUNCEMENT OF THE PROGRAM WAS MADE AVAILABLE (STATE 085340). SIMILAR SEPARATE BRIEFINGS ALSO HAVE BEEN PROVIDED OVER LAST FEW DAYS TO EMBOFFS FROM SWITZERLAND, AUSTRIA, CANADA, AND YUGOSLAVIA.

2. DEPTOFF NOTED THAT PROGRAM WOULD BE OUTLINED BY SECRETARY VANCE TO HOUSE INTERNATIONAL RELATIONS COMMITTEE APRIL 6 AND THAT SECRETARY WOULD BE ACCOMPANIED BY DEPSEC CHRISTOPHER, SECRETARY OF DEFENSE BROWN AND ACTING CHAIRMAN JOINT CHIEFS OF STAFF JONES. DEPTOFF RECALLED THAT DEPSEC HAD GONE TO ANKARA FOR TALKS WITH PRIME MINISTER ECEVIT ON MARCH 29 TO OUTLINE PROGRAM TO GOT. GOT RESPONSE HAD BEEN POSITIVE, AS REFLECTED INTER ALIA IN ECEVIT PRESS CONFERENCE ON APRIL 4. DEPTOFF NOTED PARENTHETICALLY THAT ECEVIT HIMSELF HAD SUGGESTED ELEMENTS OF ADMINISTRATION APPROACH WHEN SECRETARY VISITED ANKARA IN JANUARY. ECEVIT HAD MADE POINT OF RECALLING THIS IN APRIL 4 PRESS CONFERENCE.

3. DEPTOFF THEN OUTLINED CONTENT OF US PROGRAM AS FOLLOWS: ADMINISTRATION WOULD ASK CONGRESS TO REPEAL THE REMAINING EMBARGO PROVISIONS ON TURKEY, I.E. SECTION 620(X) OF THE FOREIGN ASSISTANCE ACT. DEPTOFF RECALLED ORIGINAL IMPOSITION IN 1975 WAS IN RESPONSE TO TURKEY USE OF US WEAPONS PREVIOUS YEAR ON CYPRUS. ITS IMPOSITION AND MAINTENANCE OVER THREE YEARS HAD CONFIRMED AN IMPORTANT PRINCIPLE, BUT ADMINISTRATION NOW BELIEVES ITS CONTINUATION ENTAILS SER-CONFIDENTIAL

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IOUS RISKS TO US RELATIONSHIP WITH TURKEY, TO THE SECURITY OF NATO AND THE EASTERN MEDITERRANEAN, AND IMPEDES RATHER THAN ADVANCES PROSPECTS FOR A CYPRUS SOLUTION.

4. ADMINISTRATION HAS DECIDED AGAINST ASKING CONGRESS TO APPROVE TURKISH DEFENSE COOPERATION AGREEMENT (DCA). US AND TURKEY HAD AGREED THAT DCA NO LONGER PROVIDES AN ADEQUATE BASIS FOR OUR BILATERAL DEFENSE RELATIONSHIP AND NEEDED TO BE RENEGOTIATED TO MEET CURRENT CONDITIONS. OUR PRINCIPAL CONCERN WAS THE MULTIYEAR ASPECT I.E. A COMMITMENT TO PROVIDE DOLS 1 BILLION IN ASSISTANCE OVER A FOUR-YEAR PERIOD. DEPTOFF NOTED THAT TURKEY AND US HAD ONLY AGREED TO RENEGOTIATE THIS AGREEMENT WITHOUT HAVING CLEAR AGREED IDEA OF WHAT WOULD RESULT. HE NOTED THAT USG HAS NO GUARANTEE FROM GOT AS TOWHEN FACILITIES AT THE VARIOUS INSTALLATIONS WOULD BE REOPENED; WE HOPED, HOWEVER, THAT AT LEAST SOME COULD REOPEN WHEN THE EMBARGO IS LIFTED.

5. ADMINISTRATION WILL REQUEST DOLS 175 MILLION IN FMS FINANCING AUTHORITY FOR TURKEY IN FY 79. ADMINISTRATION WILL RAISE EARLIER BUDGET REQUEST FROM DOLS 122 MILLION TO DOLS 140 MILLION FMS CREDITS FOR GREECE IN FY 79. WE ARE

NOT ASKING FOR GRANT MILITARY ASSISTANCE FOR EITHER COUNTRY. FMS FIGURES FOR BOTH GREECE AND TURKEY WOULD BE SAME AS FY 78 LEVELS.

6. ADMINISTRATION WOULD ASK FOR DOLS 50 MILLION SECURITY SUPPORTING ASSISTANCE LOAN IN FY 79 FOR TURKEY. THIS WOULD BE OF SOME HELP TO HELP MEET CURRENT PRESSING ECONOMIC PROBLEMS, BUT WOULD ALSO REPRESENT A SYMBOL OF OUR CONFIDENCE AND SUPPORT FOR TURKEY.

7. CONCERNING CYPRUS, ADMINISTRATION WOULD REQUEST DOLS 5 MILLION FOR REFUGEE ASSISTANCE WHICH IS CHanneLED TO BOTH CYPRIOT COMMUNITIES THROUGH UN HIGH COMMISSION FOR REFUGEES. ALSO USG WOULD CONTINUE ITS FINANCIAL SUPPORT FOR UNITED
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NATIONS FORCE IN CYPRUS (UNFICYP). WE ALSO WERE MAKING VERY CLEAR OUR CONTINUING FIRM COMMITMENT TO A CYPRUS SOLUTION AND OUR BELIEF THAT REMOVING THE EMBARGO ON TURKEY WILL HELP CONTRIBUTE TO A CYPRUS SOLUTION.

8. DEPTOFF SUMMARIZED REACTIONS TO US PROGRAM BY CONCERNED GOVERNMENTS AS FOLLOWS: THE GOT LIKED IT AND HAD A POSITIVE REACTION ALTHOUGH THEY FORESAW SOME PROBLEMS NEVERTHELESS. FOR TURKEY THE LIFTING OF THE EMBARGO WOULD BE PARTLY SYMBOLIC AND PSYCHOLOGICAL, BUT IT WOULD ALSO ALLOW MAP ITEMS FROZEN IN PIPELINE TO BE RELEASED. VALUE OF THIS MATERIEL AT TIME OF PURCHASE WAS ROUGHLY DOLS 80 MILLION. THIRD COUNTRY TRANSFERS WOULD ALSO BE POSSIBLE AND NAMSA PURCHASES BY TURKEY WOULD NO LONGER BE A PROBLEM. FINALLY, LIFTING THE EMBARGO WOULD ALSO ALLOW US TO DO SOME JOINT PLANNING WITH TURKEY AND GENERALLY HAVE A CLOSER SECURITY RELATIONSHIP.

9. AMBASSADOR MCCLOSKEY, AFTER MEETING WITH COUNSELOR NIMETZ IN BONN AND TALKING WITH DEPSEC THERE FOLLOWING HIS ANKARA VISIT, HAD BRIEFED ACTING FOREIGN MINISTER AVEROFF IN ATHENS ON MARCH 31. MCCLOSKEY HAD EMPHASIZED THAT LIFTING THE EMBARGO WOULD NOT LEAD TO AN ARMS RACE OR UPSET THE REGIONAL MILITARY BALANCE. SO FAR THE GREEK GOVERNMENT HAD EXPRESSED ITS CONCERN AND DISAPPOINTMENT BUT HAD LEFT ITS OPTIONS OPEN. THIS NO DOUBT WAS DUE TO FACT CARAMANLIS HAD NOT RETURNED TO ATHENS YET AND THE GOG SEEMED TO BE AWAITING HIS RETURN BEFORE DEVELOPING A POSITION.

10. THE CYPRIOT AMBASSADOR IN WASHINGTON WAS BRIEFED ON APRIL 1. HE EXPRESSED DEEP DISAPPOINTMENT AND A FEELING THAT CYPRUS HAD BEEN LET DOWN BY THE ADMINISTRATION DECISION. WE HAD, HOWEVER, NOTED A MODERATE PUBLIC REACTION IN
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CYPRUS IN PART DUE TO GOC COUNSEL OF MODERATION AND RESTRAINT.

11. DEPTOFF CONCLUDED PRESENTATION BY NOTING THAT WE RECOGNIZED THAT PACKAGE DOES NOT SATISFY ANY OF PARTIES, BUT IN OUR JUDGMENT IT IS BALANCED AND FAIR. IT SHOULD, WE THOUGHT, HELP INDUCE TURKEY TO MAINTAIN ITS WESTERN ORIENTATION. IT ALSO PROVIDES INCENTIVES FOR MODERATION AND PROGRESS ON CYPRUS. IN THIS CONNECTION, THE US HAD NO PROMISES FROM TURKEY ABOUT CYPRUS PROPOSALS, A FACT WHICH COUNSELOR NIMETZ HAD EMPHASIZED TO CYPRIOT AMBASSADOR EARLIER APRIL 5. WE HOPED THAT TURKISH SIDE WOULD PRESENT PROPOSALS SOON, AND THAT THESE WILL PROVIDE UNSYG WITH ADEQUATE BASIS TO ARRANGE TO RESTART INTERCOMMUNAL TALKS. WE HAD TOLD THE CYPRIOT AMBASSADOR THAT ECEVIT FELT PROPOSALS ARE SERIOUS AND RESPONSIBLE AND WE HAVE EXPRESSED HOPE THAT GOC WILL STUDY THEM CAREFULLY AND NOT REJECT THEM OUT OF HAND.

12. IN RESPONDING TO A NUMBER OF QUESTIONS, DEPTOFF MADE FOLLOWING ADDITIONAL POINTS: OUR INTEREST IN RENEGOTIATING TURKISH DCA WAS PARTLY DUE TO OUR JUDGMENT THAT DCA COULD NOT PASS CONGRESS. THE ADMINISTRATION WAS TRYING TO AVOID MULTIYEAR FINANCIAL COMMITMENTS GIVEN CONGRESSIONAL ATTITUDES. WE RECOGNIZED THAT FROM TURKISH VIEWPOINT, GOT HOPED FOR MORE THAN DOLS 1 BILLION OVER FOUR YEARS. IN RESPONSE TO A QUESTION WHY CHRISTOPHER VISIT TO ANKARA SEEMED TO BE SO SUDDEN, DEPTOFF NOTED THAT ADMINISTRATION HAD MADE A DECISION IN RESPONSE PARTLY TO TIMING OF FY 1979 CONGRESSIONAL SECURITY ASSISTANCE LEGISLATIVE CALENDER. ONCE PRESIDENT HAD REACHED DECISION, IT WAS FELT DESIRABLE IMMEDIATELY TO SEND EMISSARY TO ANKARA WHO COULD SPEAK DIRECTLY ON BEHALF OF PRESIDENT AND WHO HAD BEEN PERSONALLY INVOLVED IN DECISION PROCESS. IN RESPONSE TO QUESTION ABOUT CONGRESSIONAL RESPONSE TO PROGRAM, DEPTOFF OBSERVED THAT THERE WILL BE A FIGHT WHICH WILL REQUIRE CONSIDERABLE AD-
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MINISTRATION EFFORT TO WIN. FACT THAT IT IS AN ELECTION YEAR AND THAT OTHER ISSUES ARE BEFORE THE CONGRESS ARE PROBLEMS BUT FORCEFUL PRESENTATION TO BE MADE TO HIRC APRIL 6 SHOWED ADMINISTRATION'S DETERMINATION ON THIS ISSUE. IN RESPONSE QUESTION RE STATUS OF GREEK DCA, DEPTOFF EXPLAINED THAT THIS AGREEMENT, WHICH HAS NOT YET BEEN SIGNED, WOULD ALSO HAVE TO BE REVIEWED, WITH SPECIAL ATTENTION TO

ITS FINANCIAL ASPECTS. VANCE

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